

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re

Chapter 11

1974 REALTY ASSOCIATES

Case No. 10- 11417

Debtor.
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NOTICE OF HEARING

PLEASE TAKE NOTICE, that a hearing will be held on July 12, 2011 at 2:00 p.m. (the "Hearing") before the Honorable Shelley C Chapman, United States Bankruptcy Judge, at the United States Bankruptcy Court, One Bowling Green, New York, New York 10004, to consider (a) the application Shanholt Glassman Klein Kramer & Co, accountants (the "Accountants") for 1974 Realty Associates , the debtor herein (the "Debtor"), for payment of final fees in the amount of \$20,243 pursuant to 11 U.S.C. § 330(a) and Federal Rule of Bankruptcy Procedure 2016, and (b) the application of 1974 Realty Associates (the "Debtor") pursuant to Sections 105 and 542 and 543 of the Bankruptcy Code for an order authorizing and directing the Law Office of Jules W. Schapiro to release to the reorganized Debtor, all funds in its possession.

PLEASE TAKE FURTHER NOTICE, that objections, if any, must be in writing, served upon the undersigned, and filed with the Clerk of the Bankruptcy Court, with a courtesy copy to the Honorable Shelley C Chapman's chambers, so as to be received at least seven (7) days prior to the Hearing date.

Dated: New York, New York
June 14, 2011

BACKENROTH FRANKEL & KRINSKY,
LLP
Attorneys for the Debtor

By: s/ Mark Frankel
489 Fifth Avenue
New York, New York 10017
(212) 593-1100

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re

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**MOTION FOR ORDER AUTHORIZING AND DIRECTING DEBTOR'S
FORMER COUNSEL TO RELEASE FUNDS HELD IN ESCROW**

1974 Realty Associates (the "Debtor"), as and for its motion pursuant to Sections 105 and 542 and 543 of the Bankruptcy Code for an order authorizing and directing the Law Office of Jules W. Schapiro to release to the reorganized Debtor, all funds in its possession, including without limitation the sum of approximately \$46,496 as described herein, respectfully represent as follows:

1. The Debtor filed its Chapter 11 Petition on March 18, 2010.
2. The Debtor is a New York limited partnership formed on or about November 19, 1987. As of the filing date, the Debtor's principal assets were an apartment building located at 1974 51st Street, Brooklyn, New York (the "Property"), and certain cash on hand.

3. Among the Debtor's cash on hand were funds being held by Jules W. Schapiro, arising from the financing the Debtor obtained in 1987. Annexed hereto is a copy of a March 31, 2010 bank statement provided by Mr. Schapiro indicating the existence of such funds, together with a November 24, 1987 letter (the "Escrow Letter") written by Mr. Schapiro indicating the conditions to the release of the funds.

4. As set forth in the Escrow Letter, the funds were to be disbursed only for property development expenses. Accordingly, Mr. Schapiro has requested that as a condition to the release of the Escrow Funds, the Debtor obtain releases from the Community Preservation Corporation, the New York City Department of Housing Preservation and Development and the United States Department of Housing and Urban Renewal, the parties for whom conditions were imposed to the release of the funds.

5. The Debtor has tried unsuccessfully for several months to obtain the requested releases, but the agencies involved have been uniformly unresponsive.

6. Accordingly, the Debtor seeks an order of this Court authorizing and directing Mr. Schapiro to release the funds.

7. Pursuant to section 541 of the Bankruptcy Code, the funds are property of the Debtor's estate. Pursuant to sections 542 and 543 of the Bankruptcy Code, the Debtor is entitled to turnover of the funds.

8. In this case, the development for which the funds were designated was completed decades ago, the Property was sold under the Debtor's Plan, and the Bankruptcy Court approved a settlement between the Community Preservation Corporation and the New York City Department of Housing Preservation and Development settling and resolving all claims among the parties.

9. In summary, there is no legitimate reason why the funds should not be released to the Debtor for distribution pursuant to the Plan.

WHEREFORE, the Debtor respectfully requests that the Court grant this motion, and that the Court grant such other, further and different relief as is just and proper.

Dated: New York, New York
June 14, 2011

BACKENROTH FRANKEL & KRINSKY, LLP
Attorneys for the Debtor

By: s/Mark Frankel
489 Fifth Avenue
New York, New York 10017
(212) 593-1100

UNITED STATES BANKRUPTCY COURT
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ORDER APPROVING SETTLEMENT AGREEMENT

Upon the application ("Application") of 1974 Realty Associates ("Debtor") for an order authorizing and directing the Law Office of Jules W. Schapiro to release all funds (the "Escrow Funds") being held on the Debtor's behalf, including such funds being held in escrow in the amount of approximately \$46,496 subject to the Escrow Letter, as defined in the Application, and upon the hearing held before this Court on _____, 2011, and upon the entire record of this Chapter 11 case, and after due deliberation and sufficient cause appearing therefore, it is

ORDERED, that pursuant to sections 105, 542 and 543 of the Bankruptcy Code, the Law Office of Jules W. Schapiro be, and it hereby is, authorized and directed to release all funds, including the Escrow Funds which the the Law Office of Jules W. Schapiro is holding on the Debtor's behalf.

Dated: New York, New York
June _____, 2011

UNITED STATES BANKRUPTCY JUDGE

Law Offices
JULES W. SCHAPIRO
300 East 42nd Street
New York, New York 10017

November 24, 1987

Community Preservation Corporation
The City of New York Department of
Housing Preservation and Development
United States Department of Housing and
Urban Renewal

Re: 1974 51st Street
Brooklyn, New York

Dear Sirs:

The undersigned, as attorney for 1974 Realty Associates ("Owner"), has received the sum of \$212,672.00* which has been delivered to him. The sum of \$108,568.00 has been released to the Owner on this date and the Owner has disbursed such sum for development costs in connection with the project as set forth in the annexed schedule. The balance of such sum, \$104,104.00, is being held in escrow in accordance with the acquisition and mortgage loans obtained for the purchase and improvement of the captioned property. * from the owner

The undersigned certifies that no part of the aforementioned funds will be released for any reason other than the development of this project. The said monies will not be released from the said escrow account unless and until the owner certifies in writing that the said funds are required exclusively for the development of this project and for no other reason.

The aforementioned funds are liquid assets immediately available and irrevocably committed to this project.

Very truly yours,


Jules W. Schapiro

1974 Realty Associates, Inc. has been authorized by the City of New York to acquire the property with the funds and

part of the other than will not be the owner required in no other



Santander Strong---
Sovereign is part of Santander, "Global Bank of the Year."*

Statement Period 03/01/10 TO 03/31/10

Primary Account #: [REDACTED]

For your convenience our Business
Customer Contact Center is available Monday
through Friday, 8:00 a.m. to 6:00 p.m.
and Saturday, 8:00 a.m. to 5:00 p.m.
Call us at 1-877-768-1145.
www.sovereignbank.com

177284 -25257
JULES SCHAPIRO AF
1974 REALTY ASSOCIATES BENEF
488 MADISON AVE STE 1100
NEW YORK NY 10022-5720

0 0 0 0
7 0 3 3 0

BUSINESS MONEY MARKET PROMO

Statement Period 03/01/10 - 03/31/10

JULES SCHAPIRO AF
1974 REALTY ASSOCIATES BENEF

Account # [REDACTED]

Balances

Beginning Balance	\$46,477.18	Ending Balance	\$46,496.92
Deposits/Credits	+ \$19.74	Average Daily Balance	\$46,477.18
Withdrawals/Debits	- \$0.00		

Interest

Paid this Period *	\$ 19.74	Annual Percentage Yield Earned	0.50%
Earned this Period	\$ 19.74	Paid Last Year	\$27.41
Paid Year-To-Date	\$ 59.12		

*The interest earned and the interest paid may differ depending on when interest is credited to your account.

Account Activity

Date	Description	Credits	Debits	Balance
03-01	Beginning Balance			\$46,477.18
03-31	INTEREST CREDIT	\$19.74		\$46,496.92
03-31	Ending Balance			\$46,496.92

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS
CALL OUR BUSINESS CUSTOMER CONTACT CENTER AT 1-877-768-1145 OR WRITE TO THE BANK

ATTN: BUSINESS CUSTOMER CONTACT CENTER

One Sovereign Way R11 EPV 02 23

East Providence, RI 02915

Please contact us if you think your statement or receipt is wrong or if you need additional information about a transfer on the statement or receipt. We must hear from you no later than 30 days after we sent you the FIRST statement on which the error appeared.

Important information about your Sovereign Debit Card

The networks through which some of your Sovereign Debit Card purchases are processed have begun allowing merchants to process your purchases without either a signature or a PIN. If you are not required to enter your PIN when you make a purchase, your purchase may be processed either through the Visa network or through the STAR or NYCE networks. If your purchase is processed through STAR or NYCE, different terms apply and you will not be eligible for the rights and protections available through Visa. Please see your Business Deposit Account Agreement for more information.

